

IDS&T-3986-67

3 October 1967

MEMORANDUM FOR THE RECORD

SUBJECT: OCS Quarterly Review

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1. Mr. Duckett noted that the personal services problem in OCS is similar to that posed by OSI and FMSAC. OCS average employment is already [REDACTED] budgeted. With recruiting going well and a [REDACTED] projected for the year, OCS will probably be [REDACTED] from 25X1A AE increase alone. This does not even begin to take care of the possible 4.5% pay raise. Mr. Duckett told [REDACTED] that 25X1A notwithstanding the funding problem, he should keep on hiring up to his budget ceiling because of the relatively favorable hiring market in which we find ourselves.

2. Rental obligations are under the budget level because of certain specific items (not otherwise identified) not being rented now and the purchase versus rent policy dictated by BOB. For example, a main frame for one 360/65 has been purchased. OCS may be able to get rid of the 301/501 equipment early and, in so doing, save future rental money.

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3. [REDACTED] said that he would expect "noises" from BOB in reference to leasing practices this year. He does, however, 25X1A have adequate documentation to support the advantage of what 25X1A leasing he does in preference to purchase. [REDACTED] said that he prefers to rent or lease rather than purchase because of the dynamic growth of the computer industry. In any case, the [REDACTED] purchase in FY-68 may take the heat off any BOB inquiry. The OCS FY-69 budget has approximately [REDACTED] 25X1A purchase of equipment. This is mainly peripheral equipment to go with already planned basic computers.

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4. The IBM contract proposed for the second quarter will be for back-up to the Office of Communications Satellite Operation. It will be for a programmer to improve [REDACTED] which is 25X1D intended to provide accurate positioning data for the Commo Satellite. [REDACTED] noted that this contract will probably go for \$45K instead of \$30K. He noted, at the same time, that they also want to do an additional [REDACTED] contract for \$6K which will 25X1A provide a technician for analog-to-digital conversion assistance.

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25X1A 5. Mr. Duckett said that he seems to see a large number of separate software contracts coming through. Is this logical or should we see one large contract with several task orders? [REDACTED] said that he wants to talk about this subject as well as IPRD support. He thinks that it may now be time to transfer some of the OCS slots to IPRD.

6. We then agreed to supply data on how many different companies are involved in how many different software contracts for this Directorate. Although this same information would also be valuable on an Agency-wide basis, there was general agreement that it would not be possible for us to collect it. How many contracts Agency-wide are for separate software tasks? Mr. Duckett seemed to come to the logical conclusion that if we have several relatively small contracts of the same general kind with one company, then they should be combined into one contract with separate task orders. This was rather specifically included to mean Agency contracts with a single contractor or a few contractors crossing Directorate lines.

25X1A 7. [REDACTED] noted that we are entering a new era of computer terminal equipment and we must consider going out for competitive bids on contracts. This was stated in more or less precise terms as a reluctance to depend on IBM. Mr. Duckett noted that Control Data is pushing hard to get into this field as well as the computer field for the Agency. [REDACTED] said 25X1A that he had adequate documentation to support the decision to buy IBM instead of Control Data equipment at this time. [REDACTED] also noted, in rather strong terms, the complex process of getting to the "basic problem" and answering it if we have different manufacturers supply computing equipment to the Agency. Although this seemed to say that OCS prefers to stay with one contractor, [REDACTED] rather pointedly left the door open for periodic reexamination of computer purchasing policies. 25X1A 25X1A

[REDACTED]
Chief

Plans and Programs Branch

Attachment
Quarterly Review - OCS

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